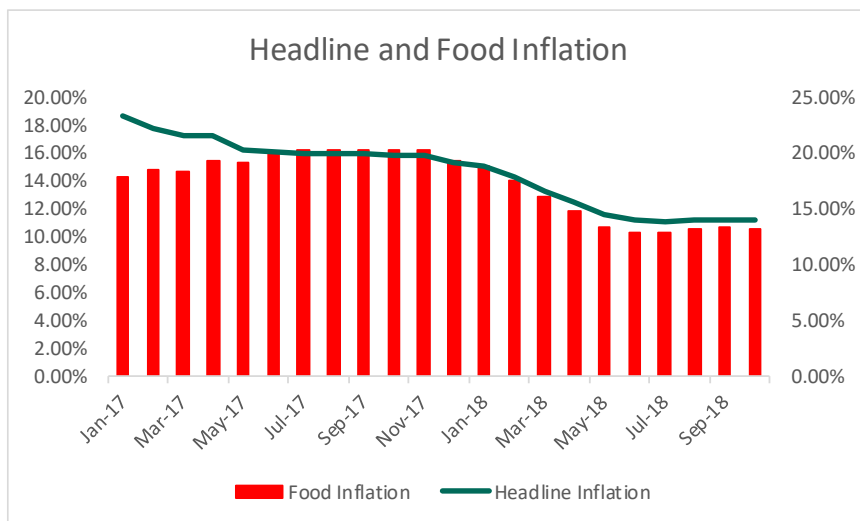




Inflation Report October 2018

Inflation Rate Halts its upward swing

Contrary to the expectation of an increase in the headline inflation for the month of October 2018, the headline inflation came in at **11.26%** year-on-year (YoY), this represents a decrease of 0.02% from the previous rate of **11.28%** YoY. This is driven by a fall in the food inflation as the food inflation rate stood at **13.28%** (year-on-year) in October, down from the **13.31%** recorded in September 2018.



Sources: Anchoria AM Research, NBS

1st Increase in Core Inflation Rate after Nine Consecutive declines

Core inflation rose to **9.88%** in October from **9.84%** in September 2018. This remained lower than the MPR of **14.00%**. With the inflation showing moderation in rate, the Monetary Policy Committee of the CBN may leave the policy rate unchanged after its 2-day bi-monthly meeting.

Taraba State: An Agricultural State Remains at the top of the chart

In October 2018, headline inflation on a year-on-year basis was highest in Taraba (13.21%), Ekiti (12.18%), Jigawa (13.13%), Enugu (12.94%) and Bayelsa (12.78%) while Kwara (8.07%), Cross River (8.79%), Ogun (9.63%), Edo (10.10%) and Oyo (10.16%) recorded the lowest rate in headline inflation. Headline inflation on a year-on-year basis in commercial cities of Lagos and Abuja fell to 11.54% and 12.47% respectively while that of Rivers and Kano rose to 12.33% and 11.60% respectively.

Nigeria's Trading Partners Inflation Figure

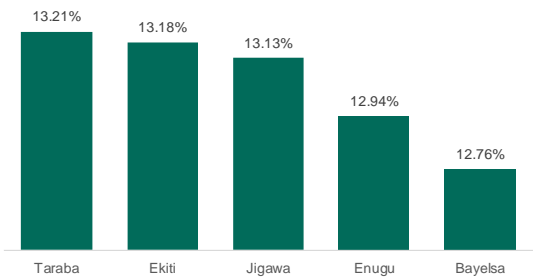
Based on selected inflation reports of some of the country's trade partners, we observed an increase in inflation rate for most, except for India that witnessed reductions in inflation rate. Despite the above, imported food inflation rate remained unchanged at 1.22% MoM in October 2018.

Outlook for November 2018 Inflation Report

Despite a downward trend in the inflation rate in October, we anticipate the rate to inch up slightly in November as Food Sub-index is expected to rise due to increased demand.

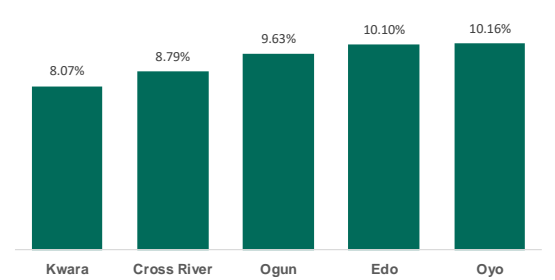
Other factors include: increased election spendings

Headline Inflation for Top 5 States



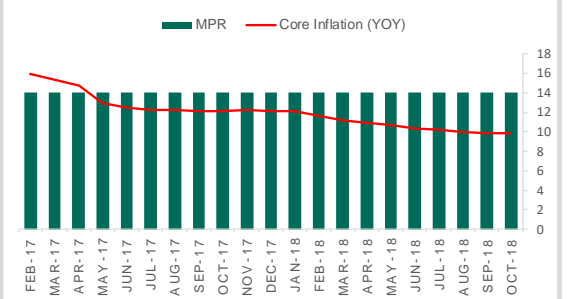
Source: Anchoria AM Research; NBS

Headline Inflation for Bottom 5 States



Source: Anchoria AM Research; NBS

CORE INFLATION & MPR



Source: Anchoria AM Research; NBS

Nigeria's Trading Partners Inflation Figure

	Oct-18	Sep-18	Changes
Belgium	2.75%	2.35%	+0.40%
China	2.50%	2.50%	+0.00%
Egypt	17.70%	16.00%	+1.70%
France	2.20%	2.20%	+0.00%
India	3.31%	3.77%	-0.46%
Netherland	2.10%	1.90%	+0.20%
United States	2.50%	2.30%	+0.20%

Source: Anchoria AM Research; Trading Economics

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